



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

March 24, 2010

MEMORANDUM

To: Representative Friske

From: Marc E. Shovers, Managing Attorney, (608) 266-0129
Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **2009 AB 794** (LRB-3731/1) by **DOR**

We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

MEMORANDUM

March 15, 2010

TO: Marc E. Shovers
Joseph T. Kreye
Legislative Reference Bureau

FROM: Rebecca Boldt
Department of Revenue

SUBJECT: Technical Memorandum on 2009 AB 794 Regarding Various Provisions on Thermal Biomass Heating Systems

The Department of Revenue has the following concerns regarding the property tax provisions of the bill:

- (1) The proposed property tax exemption would require the development of procedures to separate the value of the thermal biomass heating systems from the rest of the affected properties which remain taxable. By having this exemption take effect on the day after publication, the 2010 assessment could be affected. Since the 2010 assessment cycle is already well in progress, significant problems would arise if the bill is enacted as currently written. We suggest that the proposed property tax exemption take effect on the January 1 following enactment so that it take effect at the beginning of the next assessment cycle.
- (2) By placing the proposed exemption under Section 70.11 of the statutes, affected property owners will be required to file an exemption request with the assessor by March 1. If the proposed were instead placed under Section 70.111 of the statutes, which is the section where personal property exemptions are usually placed, the affected property owners will not need to file an exemption request with the local assessor.
- (3) The proposed language uses "installed costs" and "amounts paid to install" to refer to the same credit. As written, it is unclear whether the credit applies to costs incurred after installation ("installed costs") or costs incurred to install the thermal biomass heating system.

If you have any questions on these property tax related matters, please contact Daniel Huegel at 266-5705 or Brad Caruth at 261-8984.

cc: Representative Donald Friske